

Message Text

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61

ORIGIN COME-00

INFO OCT-01 EA-11 IO-13 ADP-00 AS-01 EB-11 TRSE-00 STR-08

AGR-20 CEA-02 CIAE-00 DODE-00 FRB-02 H-03 INR-10

INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-03 RSC-01 AID-20

CIEP-02 SS-15 TAR-02 USIA-15 PRS-01 OMB-01 OIC-04

/173 R

66607

DRAFTED BY: KLFERNANDEZ

APPROVED BY: EB/OCA/REP:LHPOMEROY

COMM:OTP/BIC:FEABBUHL

COMM:OTP/BIC/TND:DBROHR

COMM:OTP/BIC/GCP:JRANDOLPH

STATE:TGEWECKE

TREAS:CMARK

STR:DWHITNACK

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R 271945Z AUG 73

FM SECSTATE WASHDC

TO USMISSION GENEVA

AMEMBASSY WELLINGTON

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E.O. 11652: ADS, DECLAS 8/10/75

TAGS: ETRD, GATT, NZ

SUBJ: GATT ARTICLE XXVIII RENEGOTIATIONS

REF: A. GENEVA 3516

B. STATE 82772

C. WELLINGTON 1979

1. MISSION MAY EXPRESS U.S. CONCERN REGARDING CONTINUING GNZ
REVELATION OF HERETOFORE UNDISCLOSED TARIFF INCREASES ON BOUND
ITEMS AS REPORTED REF A. GNZ ACTIONS AND SUBSEQUENT EXPLAN-
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ATIONS CONVEY APPEARANCE, REPEAT APPEARANCE OF TOTAL LACK OF

COMMUNICATION BETWEEN GNZ MISSION GENEVA, GNZ WELLINGTON AND RESPONSIBLE OFFICIALS IN TRADE POLICY AREA, E.G., K.J.

FUTTER, SENIOR OFFICIAL WHO MET WITH DEPUTY ASSISTANT SECRETARY RENNER MAY 1, THREE WEEKS PRIOR TO LATEST TARIFF INCREASES.

GNZ EXPLANATIONS (REF C) THOUGH PLAUSIBLE FOLLOWING INITIAL BELATED NOTIFICATION IN AUGUST 1972 (GATT/SECRET/208) NOW STRAINING LIMITS OF CREDIBILITY. QUESTION ARISES WHETHER GNZ IS PURSUING DELIBERATE POLICY OF REVISING TARIFF SCHEDULE AT WILL AS QUOTAS ARE REMOVED WITHOUT REGARD TO GATT ARTICLE XXVIII OBLIGATIONS.

2. ITEMS 37.01.09 AND 37.02.09 WERE ORIGINALLY BOUND TO THE U.S. IN 1947 AT 20 PERCENT AS ITEM 258 - SENSITIZED SURFACES AND ALBUMENIZED PAPER ALTHOUGH NZ CONSOLIDATED SCHEDULE GATT DOC. L/3313 AS AMENDED BY L/3551 FAILS TO SHOW THIS. FURTHER REDUCTION TO 10 PERCENT WAS MADE DURING THE KR. HENCE, U.S. HAS PRIOR INITIAL NEGOTIATING RIGHTS TO EXTENT TARIFF INCREASES EXCEED 20 PERCENT AND SUBSTANTIAL SUPPLIER RIGHTS TO EXTENT INCREASES EXCEED 10 PERCENT. AS CHIEF MFN SUPPLIER, EC OF SIX HAS INR ON INCREASES ABOVE KR 10 PERCENT BINDING.

3. SINCE NO PREFERENTIAL TARIFF RATE IS SPECIFIED IN SCHEDULE XIII, PART II PREFERENCE MARGIN ON ITEMS 37.01 AND 37.02 AND NEW SUB ITEMS 37.01.003 AND 37.02.004 UNDER ARTICLE I:4(A) MAY NOT BE INCREASED SO AS TO EXCEED THE MARGIN BETWEEN THE APRIL 10, 1947 PREFERENTIAL RATE AND MFN RATE EXISTING AT THAT TIME. ADDRESSEES SHOULD REQUEST INFORMATION ON 1947 RATES TO DETERMINE IF CURRENT MARGIN OF PREFERENCE IS PERMISSIBLE. IF GNZ REPS ARGUE THAT INCREASE IN MARGIN IS PERMISSIBLE BECAUSE ITEMS ARE INCLUDED IN NZ-ALA TRADE ARRANGEMENT, MISSION MAY POINT OUT THAT U.S. DOES NOT CONSIDER THAT THIS ARRANGEMENT CONFORMS TO GATT ARTICLE I REQUIREMENTS AND IS SIMPLE PREFERENTIAL ARRANGEMENT.

4. GNZ NOTIFICATION TO GATT SHOWS AVERAGE 1969-72 IMPORTS FOR ITEM 37.01.09 IN USDOLS OF: TOTAL - DOLS 1,510,974; U.S. - DOLS 341,453; EC - DOLS 348,214. IMPORTS OF ITEM 37.02.09 WERE: TOTAL - DOLS 2,641,558; U.S. - DOLS 149,887; EC - DOLS 291,190.

5. ACTION REQUESTED: UNTIL NEGOTIATIONS COMPLETED MISSION SHOULD REQUEST TARIFF ROLLBACKS TO BOUND RATES ON ITEMS 37.01.09 AND 37.02.09 AND ONCE AGAIN REMIND NZ MISSION OF RESPONSIBILITY FOR MAINTAINING MARGINS OF PREFERENCE WITHIN ARTICLE I:4(A) LIMITED OFFICIAL USE

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LIMITS. MISSION SHOULD PRESENT FOLLOWING ADDITIONAL U.S. REQUESTS: 37.02.001 - FILM IN ROLLS, CINEMATOGRAPH, REDUCE MFN RATE FROM 10 PERCENT TO FREE, 37.02.002 - X-RAY FILM, REDUCE MFN RATE FROM 10 PERCENT TO FREE AND 90.17.139 - (MEDICAL AND DENTAL INSTRUMENTS) OTHER INSTRUMENTS AND APPLIANCES, REDUCE AND BIND MFN RATE OF 15 PERCENT TO 12 PERCENT.

6. FYI. TRADE COVERAGE OF U.S. REQUEST EXCEEDS GNZ WITHDRAWAL BUT INCREASE IN DUTIES COLLECTED OF WITHDRAWAL GREATER THAN

DECREASE THAT WOULD RESULT FROM GRANTING OF U.S. REQUEST
(FIGURES ARE NZDOLS 60,968 AND NZDOLS 59,007 RESPECTIVELY).
END FYI.

7. FOR WELLINGTON. DEPARTMENT WOULD APPRECIATE COPY OF
NOTE DELIVERED BY EMBASSY IN RESPONSE TO STATE 122814 AND
EMBASSY COMMENTS ON GNZ REACTION TO NOTE. RUSH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Concepts: CUSTOMS DUTIES, IMPORTS, TARIFF AGREEMENTS, TRADE AGREEMENTS, IMPORT PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: thigpegh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: KLFERNANDEZ
Enclosure: n/a
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Handling Restrictions: n/a
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30 JUN 2005

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